

QUARTERLY STATEMENT

OF THE

	DELTA DENTAL PLAN
	OF
	ARKANSAS, INC.
of	SHERWOOD
in the state of	ARKANSAS

TO THE

Insurance Department

OF THE

STATE OF

STATE OF ARKANSAS

FOR THE QUARTER ENDED

March 31, 2010

HEALTH

2010



HEALTH QUARTERLY STATEMENT

47155201020100110

AS OF MARCH 31, 2010
OF THE CONDITION AND AFFAIRS OF THE
Delta Dental Plan of Arkansas, Inc.

NAIC Group Code	0000	0000	NAIC Company Code	47155	Employer's ID Number	71-0561140																		
	(Current Period)	(Prior Period)																						
Organized under the Laws of	Arkansas			State of Domicile or Port of Entry																				
Country of Domicile	United States			Arkansas																				
Licensed as business type:	<table><tr><td>Life, Accident & Health</td><td>[]</td><td>Property/Casualty</td><td>[]</td><td>Hospital, Medical & Dental Service or Indemnity</td><td>[X]</td></tr><tr><td>Dental Service Corporation</td><td>[]</td><td>Vision Service Corporation</td><td>[]</td><td>Health Maintenance Organization</td><td>[]</td></tr><tr><td>Other</td><td>[]</td><td>Is HMO Federally Qualified?</td><td>Yes [] No []</td><td></td><td></td></tr></table>						Life, Accident & Health	[]	Property/Casualty	[]	Hospital, Medical & Dental Service or Indemnity	[X]	Dental Service Corporation	[]	Vision Service Corporation	[]	Health Maintenance Organization	[]	Other	[]	Is HMO Federally Qualified?	Yes [] No []		
Life, Accident & Health	[]	Property/Casualty	[]	Hospital, Medical & Dental Service or Indemnity	[X]																			
Dental Service Corporation	[]	Vision Service Corporation	[]	Health Maintenance Organization	[]																			
Other	[]	Is HMO Federally Qualified?	Yes [] No []																					
Incorporated/Organized:	March 15, 1982			Commenced Business:																				
Statutory Home Office:	1513 Country Club Road			August 1, 1982																				
	(Street and Number)			(City or Town, State and Zip Code)																				
Main Administrative Office:	1513 Country Club Road																							
	(Street and Number)																							
	Sherwood, AR 72120			501-835-3400																				
	(City or Town, State and Zip Code)			(Area Code) (Telephone Number)																				
Mail Address:	1513 Country Club Road			Sherwood, AR 72120																				
	(Street and Number or P.O. Box)			(City or Town, State and Zip Code)																				
Primary Location of Books and Records:	1513 Country Club Road			501-835-3400																				
	(Street and Number)			(Area Code) (Telephone Number)																				
Internet Website Address:	www.deltadentalar.com																							
Statutory Statement Contact:	Phyllis L. Rogers			501-992-1616																				
	(Name)			(Area Code) (Telephone Number) (Extension)																				
	progers@ddpar.com			501-992-1617																				
	(E-Mail Address)			(Fax Number)																				

OFFICERS

	Name	Title
1.	Eddie Allen Choate	President and CEO
2.	Paul David Fitzgerald	Secretary
3.	Susan Jane Fletcher Smith	Treasurer

VICE-PRESIDENTS

Name	Title	Name	Title
Ina Lynn Harbert	Senior Vice President and COO	Phyllis Lynn Rogers	Senior Vice President and CFO
Herman Eldon Hurd	Vice President of Provider Relations	Allen Dale Moore	Vice President of Information Technology
Timothy Wayne Carney	Senior Vice President of Sales and Marketi	James Durette Johnson	Senior Vice President of Business Developme

DIRECTORS OR TRUSTEES

Ronald Paul Ownbey	Harold Wayne Perrin	Robert Joe Matlock	Robert Howard Gladden
Ebb Weldon Johnson	James Talbert Johnston	Byron Scott Southern	Paul David Fitzgerald
Susan Jane Fletcher Smith			

State of Arkansas
County of Pulaski ss

The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

(Signature)	(Signature)	(Signature)
Eddie Choate	Paul Fitzgerald	Not Required
(Printed Name)	(Printed Name)	(Printed Name)
1.	2.	3.
President and CEO	Secretary	Treasurer
(Title)	(Title)	(Title)

Subscribed and sworn to before me this _____ day of _____, 2010

a. Is this an original filing? [X] Yes [] No

b. If no: 1. State the amendment number _____

2. Date filed _____

3. Number of pages attached _____

ASSETS

	Current Statement Date			4 December 31 Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
1. Bonds	18,752,314		18,752,314	19,077,963
2. Stocks:				
2.1 Preferred stocks				
2.2 Common stocks	14,365,799	1,066,072	13,299,727	12,689,515
3. Mortgage loans on real estate:				
3.1 First liens				
3.2 Other than first liens				
4. Real estate:				
4.1 Properties occupied by the company (less \$ 0 encumbrances)	10,086,017		10,086,017	10,141,295
4.2 Properties held for the production of income (less \$ 0 encumbrances)				
4.3 Properties held for sale (less \$ 0 encumbrances)				
5. Cash (\$ 7,675,839), cash equivalents (\$ 0), and short-term investments (\$ 619,352)	8,295,191		8,295,191	12,612,891
6. Contract loans (including \$ 0 premium notes)				
7. Derivatives				
8. Other invested assets	2,000,000		2,000,000	1,000,000
9. Receivables for securities				
10. Aggregate write-ins for invested assets				
11. Subtotals, cash and invested assets (Lines 1 to 10)	53,499,321	1,066,072	52,433,249	55,521,664
12. Title plants less \$ 0 charged off (for Title insurers only)				
13. Investment income due and accrued	175,860		175,860	168,103
14. Premiums and considerations:				
14.1 Uncollected premiums and agents' balances in the course of collection	518,824		518,824	286,809
14.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ 0 earned but unbilled premiums)				
14.3 Accrued retrospective premiums				
15 Reinsurance:				
15.1 Amounts recoverable from reinsurers	31,255		31,255	27,947
15.2 Funds held by or deposited with reinsured companies				
15.3 Other amounts receivable under reinsurance contracts				
16. Amounts receivable relating to uninsured plans	12,158,716		12,158,716	7,251,579
17.1 Current federal and foreign income tax recoverable and interest thereon				
17.2 Net deferred tax asset				
18. Guaranty funds receivable or on deposit				
19. Electronic data processing equipment and software	3,294,525	2,263,072	1,031,453	1,090,021
20. Furniture and equipment, including health care delivery assets (\$ 0)	619,707	619,707		
21. Net adjustment in assets and liabilities due to foreign exchange rates				
22. Receivables from parent, subsidiaries and affiliates	149,279		149,279	204,881
23. Health care (\$ 0) and other amounts receivable				
24. Aggregate write-ins for other than invested assets	667,259	667,259		
25. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 11 to 24)	71,114,746	4,616,110	66,498,636	64,551,004
26. From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
27. Total (Lines 25 and 26)	71,114,746	4,616,110	66,498,636	64,551,004

DETAILS OF WRITE-IN LINES				
1001.				
1002.				
1003.				
1098. Summary of remaining write-ins for Line 10 from overflow page				
1099. Totals (Lines 1001 through 1003 plus 1098) (Line 10 above)				
2401. Prepaid Expenses	667,259	667,259		
2402. Miscellaneous Receivable				
2403.				
2498. Summary of remaining write-ins for Line 24 from overflow page				
2499. Totals (Lines 2401 through 2403 plus 2498) (Line 24 above)	667,259	667,259		

NONE

LIABILITIES, CAPITAL AND SURPLUS

	Current Period			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$ 0 reinsurance ceded)	2,327,254		2,327,254	2,381,317
2. Accrued medical incentive pool and bonus amounts				
3. Unpaid claims adjustment expenses	97,470		97,470	85,421
4. Aggregate health policy reserves				
5. Aggregate life policy reserves				
6. Property/casualty unearned premium reserve				
7. Aggregate health claim reserves				
8. Premiums received in advance	1,508,442		1,508,442	1,489,657
9. General expenses due or accrued	912,358		912,358	1,076,181
10.1 Current federal and foreign income tax payable and interest thereon (including \$ 0 on realized gains (losses))				
10.2 Net deferred tax liability				
11. Ceded reinsurance premiums payable				
12. Amounts withheld or retained for the account of others	2,716,368		2,716,368	2,548,154
13. Remittances and items not allocated				
14. Borrowed money (including \$ 0 current) and interest thereon \$ 0 (including \$ 0 current)				
15. Amounts due to parent, subsidiaries and affiliates	1,123,216		1,123,216	1,421,077
16. Derivatives				
17. Payable for securities				
18. Funds held under reinsurance treaties (with \$ 0 authorized reinsurers and \$ 0 unauthorized reinsurers)				
19. Reinsurance in unauthorized companies				
20. Net adjustments in assets and liabilities due to foreign exchange rates				
21. Liability for amounts held under uninsured plans	2,197,865		2,197,865	2,197,865
22. Aggregate write-ins for other liabilities (including \$ 0 current)				
23. Total liabilities (Lines 1 to 22)	10,882,973		10,882,973	11,199,672
24. Aggregate write-ins for special surplus funds	X X X	X X X		
25. Common capital stock	X X X	X X X		
26. Preferred capital stock	X X X	X X X		
27. Gross paid in and contributed surplus	X X X	X X X		
28. Surplus notes	X X X	X X X		
29. Aggregate write-ins for other than special surplus funds	X X X	X X X	50,000	50,000
30. Unassigned funds (surplus)	X X X	X X X	55,565,663	53,301,332
31. Less treasury stock, at cost:				
31.1 0 shares common (value included in Line 25 \$ 0)	X X X	X X X		
31.2 0 shares preferred (value included in Line 26 \$ 0)	X X X	X X X		
32. Total capital and surplus (Lines 24 to 30 minus Line 31)	X X X	X X X	55,615,663	53,351,332
33. Total liabilities, capital and surplus (Lines 23 and 32)	X X X	X X X	66,498,636	64,551,004

DETAILS OF WRITE-IN LINES				
2201.				
2202.				
2203.				
2298. Summary of remaining write-ins for Line 22 from overflow page				
2299. Totals (Lines 2201 through 2203 plus 2298) (Line 22 above)				
2401.	X X X	X X X		
2402.	X X X	X X X		
2403.	X X X	X X X		
2498. Summary of remaining write-ins for Line 24 from overflow page	X X X	X X X		
2499. Totals (Lines 2401 through 2403 plus 2498) (Line 24 above)	X X X	X X X		
2901. Surplus required by the Arkansas Insurance Department	X X X	X X X	50,000	50,000
2902.	X X X	X X X		
2903.	X X X	X X X		
2998. Summary of remaining write-ins for Line 29 from overflow page	X X X	X X X		
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above)	X X X	X X X	50,000	50,000

STATEMENT OF REVENUE AND EXPENSES

	Current Year		Prior Year	Prior Year Ended
	To Date		To Date	December 31
	1	2	3	4
	Uncovered	Total	Total	Total
1. Member Months	X X X	481,476	435,854	1,848,061
2. Net premium income (including \$ 0 non-health premium income)	X X X	18,622,001	18,094,041	73,311,680
3. Change in unearned premium reserves and reserve for rate credits	X X X			
4. Fee-for-service (net of \$ 0 medical expenses)	X X X			
5. Risk revenue	X X X			
6. Aggregate write-ins for other health care related revenues	X X X			
7. Aggregate write-ins for other non-health revenues	X X X	150	195	33,890
8. Total revenues (Lines 2 to 7)	X X X	18,622,151	18,094,236	73,345,570
Hospital and Medical:				
9. Hospital/medical benefits		14,342,587	14,274,908	55,961,019
10. Other professional services				
11. Outside referrals				
12. Emergency room and out-of-area				
13. Prescription drugs				
14. Aggregate write-ins for other hospital and medical				
15. Incentive pool, withhold adjustments and bonus amounts				
16. Subtotal (Lines 9 to 15)		14,342,587	14,274,908	55,961,019
Less:				
17. Net reinsurance recoveries		153,686		7,538
18. Total hospital and medical (Lines 16 minus 17)		14,188,901	14,274,908	55,953,481
19. Non-health claims (net)				
20. Claims adjustment expenses, including \$ 0 cost containment expenses		1,086,444	971,876	3,678,411
21. General administrative expenses		2,605,316	2,478,100	10,115,634
22. Increase in reserves for life and accident and health contracts (including \$ 0 increase in reserves for life only)				
23. Total underwriting deductions (Lines 18 through 22)		17,880,661	17,724,884	69,747,526
24. Net underwriting gain or (loss) (Lines 8 minus 23)	X X X	741,490	369,352	3,598,044
25. Net investment income earned		629,357	725,445	2,671,831
26. Net realized capital gains (losses) less capital gains tax of \$ 0		95,984	20	
27. Net investment gains (losses) (Lines 25 plus 26)		725,341	725,465	2,671,831
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$ 0) (amount charged off \$ 0)]				
29. Aggregate write-ins for other income or expenses				
30. Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29)	X X X	1,466,831	1,094,817	6,269,875
31. Federal and foreign income taxes incurred	X X X			
32. Net income (loss) (Lines 30 minus 31)	X X X	1,466,831	1,094,817	6,269,875

DETAILS OF WRITE-IN LINES				
0601.	X X X			
0602.	X X X			
0603.	X X X			
0698. Summary of remaining write-ins for Line 06 from overflow page	X X X			
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 06 above)	X X X			
0701. Miscellaneous Income	X X X	150	195	33,890
0702.	X X X			
0703.	X X X			
0798. Summary of remaining write-ins for Line 07 from overflow page	X X X			
0799. Totals (Lines 0701 through 0703 plus 0798) (Line 07 above)	X X X	150	195	33,890
1401.				
1402.				
1403.				
1498. Summary of remaining write-ins for Line 14 from overflow page				
1499. Totals (Lines 1401 through 1403 plus 1498) (Line 14 above)				
2901.				
2902.				
2903.				
2998. Summary of remaining write-ins for Line 29 from overflow page				
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above)				

STATEMENT OF REVENUE AND EXPENSES (Continued)

	1	2	3
	Current Year To Date	Prior Year To Date	Prior Year Ended December 31
CAPITAL & SURPLUS ACCOUNT			
33. Capital and surplus prior reporting year	53,351,332	46,108,881	46,108,881
34. Net income or (loss) from Line 32	1,466,831	1,094,817	6,269,875
35. Change in valuation basis of aggregate policy and claim reserves			
36. Change in net unrealized capital gains (losses) less capital gains tax of \$ 0	489,687	(1,276,315)	2,090,020
37. Change in net unrealized foreign exchange capital gain or (loss)			
38. Change in net deferred income tax			
39. Change in nonadmitted assets	307,813	(36,550)	(1,117,444)
40. Change in unauthorized reinsurance			
41. Change in treasury stock			
42. Change in surplus notes			
43. Cumulative effect of changes in accounting principles			
44. Capital Changes:			
44.1 Paid in			
44.2 Transferred from surplus (Stock Dividend)			
44.3 Transferred to surplus			
45. Surplus adjustments:			
45.1 Paid in			
45.2 Transferred to capital (Stock Dividend)			
45.3 Transferred from capital			
46. Dividends to stockholders			
47. Aggregate write-ins for gains or (losses) in surplus			
48. Net change in capital and surplus (Lines 34 to 47)	2,264,331	(218,048)	7,242,451
49. Capital and surplus end of reporting period (Line 33 plus 48)	55,615,663	45,890,833	53,351,332

DETAILS OF WRITE-IN LINES			
4701.			
4702.			
4703.			
4798. Summary of remaining write-ins for Line 47 from overflow page			
4799. Totals (Lines 4701 through 4703 plus 4798) (Line 47 above)			

CASH FLOW

	1	2	3
Cash from Operations	Current Year To Date	Prior Year To Date	Prior Year Ended December 31
1. Premiums collected net of reinsurance	18,408,771	18,322,766	73,834,810
2. Net investment income	627,230		3,599,542
3. Miscellaneous income	150	5,434	6,041
4. Total (Lines 1 to 3)	19,036,151	18,328,200	77,440,393
5. Benefit and loss related payments	14,246,272	14,259,292	56,098,814
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts			
7. Commissions, expenses paid and aggregate write-ins for deductions	8,199,569	8,192,295	10,977,959
8. Dividends paid to policyholders			
9. Federal and foreign income taxes paid (recovered) net of \$ 0 tax on capital gains (losses)			
10. Total (Lines 5 through 9)	22,445,841	22,451,587	67,076,773
11. Net cash from operations (Line 4 minus Line 10)	(3,409,690)	(4,123,387)	10,363,620
Cash from Investments			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds	1,420,000	550,000	2,220,000
12.2 Stocks	392,888		
12.3 Mortgage loans			
12.4 Real estate			
12.5 Other invested assets			
12.6 Net gains (or losses) on cash, cash equivalents and short-term investments			
12.7 Miscellaneous proceeds			
12.8 Total investment proceeds (Lines 12.1 to 12.7)	1,812,888	550,000	2,220,000
13. Cost of investments acquired (long-term only):			
13.1 Bonds	1,099,984	673,519	2,939,488
13.2 Stocks	515,885		2,000,000
13.3 Mortgage loans			
13.4 Real estate		135,813	854,346
13.5 Other invested assets	1,000,000		1,000,000
13.6 Miscellaneous applications			3,137,794
13.7 Total investments acquired (Lines 13.1 to 13.6)	2,615,869	809,332	9,931,628
14. Net increase (or decrease) in contract loans and premium notes			
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14)	(802,981)	(259,332)	(7,711,628)
Cash from Financing and Miscellaneous Sources			
16. Cash provided (applied):			
16.1 Surplus notes, capital notes			
16.2 Capital and paid in surplus, less treasury stock			
16.3 Borrowed funds			
16.4 Net deposits on deposit-type contracts and other insurance liabilities			
16.5 Dividends to stockholders			
16.6 Other cash provided (applied)	(105,029)		
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6)	(105,029)		
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS			
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	(4,317,700)	(4,382,719)	2,651,992
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year	12,612,891	9,960,899	9,960,899
19.2 End of period (Line 18 plus Line 19.1)	8,295,191	5,578,180	12,612,891

Note: Supplemental disclosures of cash flow information for non-cash transactions:

20.0001			
20.0002			
20.0003			

EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION

	1	Comprehensive (Hospital & Medical)		4	5	6	7	8	9	10
		2	3							
	Total	Individual	Group	Medicare Supplement	Vision Only	Dental Only	Federal Employees Health Benefit Plan	Title XVIII Medicare	Title XIX Medicaid	Other
Total Members at end of:										
1. Prior Year	160,553				23,708	136,845				
2. First Quarter	161,205				24,301	136,904				
3. Second Quarter										
4. Third Quarter										
5. Current Year										
6. Current Year Member Months	481,476				72,433	409,043				
Total Member Ambulatory Encounters for Period:										
7. Physician										
8. Non-Physician										
9. Totals										
10. Hospital Patient Days Incurred										
11. Number of Inpatient Admissions										
12. Health Premiums Written (a)	18,955,676				822,203	18,133,473				
13. Life Premiums Direct										
14. Property/Casualty Premiums Written										
15. Health Premiums Earned	18,622,001				411,152	18,210,849				
16. Property/Casualty Premiums Earned										
17. Amount Paid for Provision of Health Care Services	14,210,726				206,213	14,004,513				
18. Amount Incurred for Provision of Health Care Services	14,342,587				396,269	13,946,318				

(a) For health premiums written: amount of Medicare Title XVIII exempt from state taxes or fees \$ 0

CLAIMS UNPAID AND INCENTIVE POOL, WITHHOLD AND BONUS (Reported and Unreported)

Aging Analysis of Unpaid Claims

[illegible]

UNDERWRITING AND INVESTMENT EXHIBIT
ANALYSIS OF CLAIMS UNPAID - PRIOR YEAR - NET OF REINSURANCE

Line of Business	Claims Paid Year to Date		Liability End of Current Quarter		5 Claims Incurred in Prior Years (Columns 1 + 3)	6 Estimated Claim Reserve and Claim Liability Dec. 31 of Prior Year
	1 On Claims Incurred Prior to January 1 of Current Year	2 On Claims Incurred During the Year	3 On Claims Unpaid Dec. 31 of Prior Year	4 On Claims Incurred During the Year		
1. Comprehensive (hospital and medical)						
2. Medicare Supplement						
3. Dental only	1,741,818	12,262,695		2,181,979	1,741,818	2,219,883
4. Vision only	45,664	160,549		145,275	45,664	161,434
5. Federal Employees Health Benefits Plan						
6. Title XVIII - Medicare						
7. Title XIX - Medicaid						
8. Other health						
9. Health subtotal (Lines 1 to 8)	1,787,482	12,423,244		2,327,254	1,787,482	2,381,317
10. Health care receivables (a)						
11. Other non-health						
12. Medical incentive pools and bonus amounts						
13. Totals	1,787,482	12,423,244		2,327,254	1,787,482	2,381,317

(a) Excludes \$ 0 loans or advances to providers not yet expensed.

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- a. No Change
- b. No Change
- c. (1) No Change
- (2) No Change
- (3) No Change
- (4) No Change
- (5) No Change
- (6) No Change
- (7) No Change
- d. No Change

NOTE 2 - ACCOUNTING CHANGES AND CORRECTIONS OF ERRORS

No Change

NOTE 3 - BUSINESS COMBINATIONS AND GOODWILL

No Change

NOTE 4 - DISCONTINUED OPERATIONS

No Change

NOTE 5 - INVESTMENTS

No Change

NOTE 6 - JOINT VENTURES, PARTNERSHIPS AND LIMITED LIABILITY COMPANIES

No Change

NOTE 7 - INVESTMENT INCOME

No Change

NOTE 8 - DERIVATIVE INSTRUMENTS

No Change

NOTE 9 - INCOME TAXES

No Change

NOTE 10 - INFORMATION CONCERNING PARENT, SUBSIDIARIES AND AFFILIATES

No Change

NOTE 11 - DEBT

No Change

NOTE 12 - RETIREMENT PLANS, DEFERRED COMPENSATION, POSTEMPLOYMENT BENEFITS AND COMPENSATED ABSESNES AND OTHER POSTRETIREMENT BENEFIT PLANS

No Change

NOTE 13 - CAPITAL AND SURPLUS, SHAREHOLDERS' DIVIDEND RESTRICTIONS AND QUASI-REORGANIZATIONS

No Change

NOTES TO FINANCIAL STATEMENTS

NOTE 14 CONTINGENCIES

No Change

NOTE 15 - LEASES

No Change

NOTE 16 - INFORMATION ABOUT FINANCIAL INSTRUMENTS WITH OFF-BALANCE SHEET RISK AND FINANCIAL INSTRUMENTS WITH CONCENTRATIONS OF CREDIT RISK

No Change

NOTE 17 - SALE, TRANSFER AND SERVICING OF FINANCIAL ASSETS AND EXTINGUISHMENT OF LIABILITIES

No Change

NOTE 18 - GAIN OR LOSS TO THE REPORTING ENTITY FROM UNINSURED PLANS AND FROM THE UNINSURED PORTION OF PARTIALLY INSURED PLANS

b. The gain from operations from Administrative Services Contract (ASC) uninsured plans and uninsured portion of partially insured plans were as follows for the three months ended March 31, 2010 and 2009:

	<u>2010</u>	<u>2009</u>
(a) Gross reimbursement for medical costs incurred	\$ 67,306,440	\$ 64,226,261
(b) Gross Administrative fees accrued	3,285,431	3,520,595
(c) Other income and expenses	(70,591,871)	(67,746,856)
(d) Total net gain or loss from operations	-	-
(e) Total net Gain or loss from operations	<u>\$ -</u>	<u>\$ -</u>

NOTE 19 - DIRECT PREMIUMS WRITTEN OR PRODUCED BY MANAGING GENERAL AGENTS OR THIRD PARTY ADMINISTRATORS

No Change

NOTE 20 - OTHER ITEMS

No Change

NOTE 21 - EVENTS SUBSEQUENT

No Change

NOTE 22 - REINSURANCE

No Change

NOTE 23 - RETROSPECTIVELY RATED CONTRACTS AND CONTRACTS SUBJECT TO REDETERMINATION

No Change

NOTE 24 - CHANGE IN INCURRED CLAIMS AND CLAIMS ADJUSTMENT EXPENSES

No Change

NOTE 25 - INTERCOMPANY POOLING ARRANGEMENTS

No Change

NOTE 26 - STRUCTURED SETTLEMENTS

No Change

NOTE 27 - HEALTH CARE RECEIVABLES

NOTES TO FINANCIAL STATEMENTS

No Change

NOTE 28 - PARTICIPATING POLICIES

No Change

NOTE 29 - PREMIUM DEFICIENCY RESERVES

No Change

NOTE 30 - ANTICIPATED SALVAGE AND SUBROGATION

No Change

NOTE 31 - ORGANIZATION AND OPERATION

No Change

NOTE 32 - MINIMUM NET WORTH

No Change

NOTE 33 - PROPERTY AND EQUIPMENT

No Change

GENERAL INTERROGATORIES

PART 1 – COMMON INTERROGATORIES

GENERAL

1.1 Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act?

Yes [] No [X]

1.2 If yes, has the report been filed with the domiciliary state?

Yes [] No []

2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity?

Yes [] No [X]

2.2 If yes, date of change:

3. Have there been any substantial changes in the organizational chart since the prior quarter end?
If yes, complete the Schedule Y – Part 1 – organizational chart.

Yes [] No [X]

4.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement?

Yes [] No [X]

4.2 If yes, provide the name of entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1 Name of Entity	2 NAIC Company Code	3 State of Domicile

5. If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved?
If yes, attach an explanation.

Yes [] No [] N/A [X]

6.1 State as of what date the latest financial examination of the reporting entity was made or is being made.

12/31/2007

6.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released.

04/07/2009

6.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date).

06/11/2009

6.4 By what department or departments?

6.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments?

Yes [X] No [] N/A []

6.6 Have all of the recommendations within the latest financial examination report been complied with?

Yes [X] No [] N/A []

7.1 Has this reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period?

Yes [] No [X]

7.2 If yes, give full information

8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board?

Yes [] No [X]

GENERAL INTERROGATORIES

8.2 If response to 8.1 is yes, please identify the name of the bank holding company.

.....
.....
.....

8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes [] No [X]

8.4 If response to 8.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Office of Thrift Supervision (OTS), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.

1 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 OTS	6 FDIC	7 SEC
.....
.....

9.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards?
(a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
(b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
(c) Compliance with applicable governmental laws, rules, and regulations;
(d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
(e) Accountability for adherence to the code.

YES Yes [X] No []

9.11 If the response to 9.1 is No, please explain:

.....
.....
.....

NO 9.2 Has the code of ethics for senior managers been amended? Yes [] No [X]

9.21 If the response to 9.2 is Yes, provide information related to amendment(s).

.....
.....
.....

NO 9.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes [] No [X]

9.31 If the response to 9.3 is Yes, provide the nature of any waiver(s).

.....
.....
.....

16.1 For all agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:

1 Name of Custodian(s)	2 Custodian Address
Stephens Capital Management	111 Center Street, Little Rock, AR 72201
.....

GENERAL INTERROGATORIES

16.2 For all agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook, provide the name, location and a complete explanation:

1 Name(s)	2 Location(s)	3 Complete Explanation(s)

16.3 Have there been any changes, including name changes, in the custodian(s) identified in 16.1 during the current quarter? Yes [] No [X]

16.4 If yes, give full and complete information relating thereto:

1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason

16.5 Identify all investment advisors, broker/dealers or individuals acting on behalf of broker/dealers that have access to the investment accounts, handle securities and have authority to make investments on behalf of the reporting entity:

1 Central Registration Depository	2 Name(s)	3 Address
185569879/80024403	Stephens Capital Management	111 Center Street, Little Rock, AR 72201
184362370/18428499	Stephens Capital Management	111 Center Street, Little Rock, AR 72201

17.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Securities Valuation Office been followed? Yes [X] No []

17.2 If no, list exceptions:
.
.
.

GENERAL INTERROGATORIES

PART 2 - HEALTH

1.

Operating Percentages:

1.1

A&H loss percent

%

1.2

A&H cost containment percent

%

1.3

A&H expense percent excluding cost containment expenses

%
- 2.1

Do you act as a custodian for health savings accounts?

Yes [☐] No [☒]
- 2.2

If yes, please provide the amount of custodial funds held as of the reporting date.

\$
- 2.3

Do you act as an administrator for health savings accounts?

Yes [☐] No [☒]
- 2.4

If yes, please provide the balance of the funds administered as of the reporting date.

\$

SCHEDULE S - CEDED REINSURANCE

Showing All New Reinsurance Treaties - Current Year to Date

[illegible]

SCHEDULE T - PREMIUMS AND ANNUITY CONSIDERATIONS
Current Year To Date - Allocated by States and Territories

States, Etc.		1 Active Status	Direct Business Only							
			2 Accident & Health Premiums	3 Medicare Title XVIII	4 Medicaid Title XIX	5 Federal Employees Health Benefits Program Premiums	6 Life & Annuity Premiums & Other Considerations	7 Property / Casualty Premiums	8 Total Columns 2 Through 7	9 Deposit-Type Contracts
1. Alabama	AL	N								
2. Alaska	AK	N								
3. Arizona	AZ	N								
4. Arkansas	AR	L	18,955,777						18,955,777	
5. California	CA	N								
6. Colorado	CO	N								
7. Connecticut	CT	N								
8. Delaware	DE	N								
9. District of Columbia	DC	N								
10. Florida	FL	N								
11. Georgia	GA	N								
12. Hawaii	HI	N								
13. Idaho	ID	N								
14. Illinois	IL	N								
15. Indiana	IN	N								
16. Iowa	IA	N								
17. Kansas	KS	N								
18. Kentucky	KY	N								
19. Louisiana	LA	N								
20. Maine	ME	N								
21. Maryland	MD	N								
22. Massachusetts	MA	N								
23. Michigan	MI	N								
24. Minnesota	MN	N								
25. Mississippi	MS	N								
26. Missouri	MO	N								
27. Montana	MT	N								
28. Nebraska	NE	N								
29. Nevada	NV	N								
30. New Hampshire	NH	N								
31. New Jersey	NJ	N								
32. New Mexico	NM	N								
33. New York	NY	N								
34. North Carolina	NC	N								
35. North Dakota	ND	N								
36. Ohio	OH	N								
37. Oklahoma	OK	N								
38. Oregon	OR	N								
39. Pennsylvania	PA	N								
40. Rhode Island	RI	N								
41. South Carolina	SC	N								
42. South Dakota	SD	N								
43. Tennessee	TN	N								
44. Texas	TX	N								
45. Utah	UT	N								
46. Vermont	VT	N								
47. Virginia	VA	N								
48. Washington	WA	N								
49. West Virginia	WV	N								
50. Wisconsin	WI	N								
51. Wyoming	WY	N								
52. American Samoa	AS	N								
53. Guam	GU	N								
54. Puerto Rico	PR	N								
55. U.S. Virgin Islands	VI	N								
56. Northern Mariana Islands	MP	N								
57. Canada	CN	N								
58. Aggregate other alien	OT	X X X								
59. Subtotal		X X X	18,955,777						18,955,777	
60. Reporting entity contributions for Employee Benefit Plans		X X X								
61. Totals (Direct Business)		(a) 1	18,955,777						18,955,777	

DETAILS OF WRITE-INS									
5801.		X X X							
5802.		X X X							
5803.		X X X							
5898. Summary of remaining write-ins for Line 58		X X X							
5899. Totals (Lines 5801 through 5803 plus 5898)									
(Line 58 above)		X X X							

(L) Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG;(R) Registered - Non-domiciled RRGs; (Q) Qualified - Qualified or Accredited Reinsurer; (E) Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state; (N) None of the above - Not allowed to write business in the state.

(a) Insert the number of L responses except for Canada and Other Alien.

NONE

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

PART 1 - ORGANIZATIONAL CHART

NONE

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

The following supplemental reports are required to be filed as part of your statement filing. However, in the event that your company does not transact the type of business for which the special report must be filed, your response of NO to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below. If the supplement is required of your company but is not being filed for whatever reason enter SEE EXPLANATION and provide an explanation following the interrogatory questions.

	<u>Response</u>
1. Will the Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC with this statement?	<u>NO</u>



OVERFLOW PAGE FOR WRITE-INS

SCHEDULE A - VERIFICATION
Real Estate

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	10,141,295	9,993,719
2. Cost of acquired:		
2.1 Actual cost at time of acquisition		359,361
2.2 Additional investment made after acquisition		
3. Current year change in encumbrances		
4. Total gain (loss) on disposals		
5. Deduct amounts received on disposals		
6. Total foreign exchange change in book/adjusted carrying value		
7. Deduct current year's other than temporary impairment recognized		
8. Deduct current year's depreciation	55,278	211,785
9. Book/adjusted carrying value at the end of current period (Lines 1 + 2 + 3 + 4 - 5 + 6 - 7 - 8)	10,086,017	10,141,295
10. Deduct total nonadmitted amounts		
11. Statement value at end of current period (Line 9 minus Line 10)	10,086,017	10,141,295

SCHEDULE B - VERIFICATION
Mortgage Loans

	1 Year To Date	2 Prior Year Ended December 31
1. Book value/recorded investment excluding accrued interest, December 31 of prior year		
2. Cost of acquired:		
2.1 Actual cost at time of acquisition		
2.2 Additional investment made after acquisition		
3. Capitalized deferred interest and other		
4. Accrual of discount		
5. Unrealized valuation increase (decrease)		
6. Total gain (loss) on disposals		
7. Deduct amounts received on disposals		
8. Deduct amortization of premium and mortgage interest points and commitment fees		
9. Total foreign exchange change in book value/recorded investment excluding accrued interest		
10. Deduct current year's other than temporary impairment recognized		
11. Book value/recorded investment excluding accrued interest at end of current period (Lines 1 + 2 + 3 + 4 + 5 + 6 - 7 - 8 + 9 - 10)		
12. Total valuation allowance		
13. Subtotal (Line 11 plus Line 12)		
14. Deduct total nonadmitted amounts		
15. Statement value at end of current period (Line 13 minus Line 14)		

NONE

SCHEDULE BA - VERIFICATION
Other Long-Term Invested Assets

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	1,000,000	
2. Cost of acquired:		
2.1 Actual cost at time of acquisition	1,000,000	1,000,000
2.2 Additional investment made after acquisition		
3. Capitalized deferred interest and other		
4. Accrual of discount		
5. Unrealized valuation increase (decrease)		
6. Total gain (loss) on disposals		
7. Deduct amounts received on disposals		
8. Deduct amortization of premium and depreciation		
9. Total foreign exchange change in book/adjusted carrying value		
10. Deduct current year's other than temporary impairment recognized		
11. Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 + 6 - 7 - 8 + 9 - 10)	2,000,000	1,000,000
12. Deduct total nonadmitted amounts		
13. Statement value at end of current period (Line 11 minus Line 12)	2,000,000	1,000,000

SCHEDULE D - VERIFICATION
Bonds and Stocks

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year	32,735,091	27,939,138
2. Cost of bonds and stocks acquired	1,615,868	4,939,488
3. Accrual of discount	7,217	34,915
4. Unrealized valuation increase (decrease)	489,687	2,090,020
5. Total gain (loss) on disposals	95,984	
6. Deduct consideration for bonds and stocks disposed of	1,812,887	2,220,000
7. Deduct amortization of premium	12,847	48,470
8. Total foreign exchange change in book/adjusted carrying value		
9. Deduct current year's other than temporary impairment recognized		
10. Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 - 6 - 7 + 8 - 9)	33,118,113	32,735,091
11. Deduct total nonadmitted amounts	1,066,072	967,613
12. Statement value at end of current period (Line 10 minus Line 11)	32,052,041	31,767,478

SCHEDULE D - PART 1B

Showing the Acquisitions, Dispositions and Non-Trading Activity
During the Current Quarter for all Bonds and Preferred Stock by Rating Class

	1 Book/Adjusted Carrying Value Beginning of Current Quarter	2 Acquisitions During Current Quarter	3 Dispositions During Current Quarter	4 Non-Trading Activity During Current Quarter	5 Book/Adjusted Carrying Value End of First Quarter	6 Book/Adjusted Carrying Value End of Second Quarter	7 Book/Adjusted Carrying Value End of Third Quarter	8 Book/Adjusted Carrying Value December 31 Prior Year
BONDS								
1. Class 1 (a)	19,223,353	2,603,460	2,449,517	(5,630)	19,371,666			19,223,353
2. Class 2 (a)								
3. Class 3 (a)								
4. Class 4 (a)								
5. Class 5 (a)								
6. Class 6 (a)								
7. Total Bonds	19,223,353	2,603,460	2,449,517	(5,630)	19,371,666			19,223,353
PREFERRED STOCK								
8. Class 1								
9. Class 2								
10. Class 3								
11. Class 4								
12. Class 5								
13. Class 6								
14. Total Preferred Stock								
15. Total Bonds & Preferred Stock	19,223,353	2,603,460	2,449,517	(5,630)	19,371,666			19,223,353

(a) Book/Adjusted Carrying Value column for the end of the current reporting period includes the following amount of non-rated, short-term and cash-equivalent bonds by NAIC designation:

NAIC 1 \$ 0; NAIC 2 \$ 0; NAIC 3 \$ 0; NAIC 4 \$ 0; NAIC 5 \$ 0; NAIC 6 \$ 0

SCHEDULE DA - PART 1
Short-Term Investments

	1	2	3	4	5
	Book/Adjusted Carrying Value	Par Value	Actual Cost	Interest Collected Year To Date	Paid for Accrued Interest Year To Date
9199999	619,352	X X X	619,352		

SCHEDULE DA - VERIFICATION
Short-Term Investments

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	145,392	
2. Cost of short-term investments acquired	1,503,477	1,728,517
3. Accrual of discount		
4. Unrealized valuation increase (decrease)		
5. Total gain (loss) on disposals		
6. Deduct consideration received on disposals	1,029,517	1,583,125
7. Deduct amortization of premium		
8. Total foreign exchange change in book/adjusted carrying value		
9. Deduct current year's other than temporary impairment recognized		
10. Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 - 6 - 7 + 8 - 9)	619,352	145,392
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)	619,352	145,392

NONE Schedule DB - Part A and B Verification

NONE Schedule DB - Part C - Section 1

NONE Schedule DB - Part C - Section 2

NONE Schedule DB - Verification

NONE Schedule E Verification

NONE Schedule A - Part 2 and 3

NONE Schedule B - Part 2 and 3

NONE Schedule BA - Part 2 and 3

NONE Schedule D - Part 3

NONE Schedule D - Part 4

NONE Schedule DB - Part A - Section 1

NONE Schedule DB - Part B - Section 1

NONE Schedule DB - Part D

SCHEDULE E - PART 1 - CASH

Month End Depository Balances

[illegible]

